

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1243-01
Bill No.: HB 400
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
Dept
Type: Original
Date: February 24, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** indicated that DESE would pay the “educational service agencies” directly which could affect calculation and distribution of school payments. They further state that the proposal has the potential to have significant fiscal impact depending on who is eligible under the proposal, whether school districts would participate, whether payments would impact the school payment, and whether the educational service agencies could set property tax rates and collect taxes. DESE indicated that local school districts would likely see costs to manage the educational service agencies.

Officials from the **Kansas City, Missouri School District (KCMSD)** indicated they did not have sufficient information to respond.

Officials from the **Saint Louis Public Schools** stated that they assume there could be a cost associated with this proposal but are unable to determine the impact, if any, at this time.

Oversight assumes that if school districts would utilize an “educational service agency”, costs associated with managing the agencies could be offset by having less direct administrative costs. Also, since the language is permissive, **Oversight** assumes no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

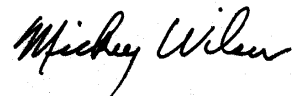
DESCRIPTION

This proposal creates a new section of law governing the creation of educational service agencies that develop, provide, or manage instructional services for school districts. These agencies must be designated by contract, organized as nonprofit corporations, and considered as political subdivisions whose governing board and employees are subject to the same conflict of interest provisions as public employees. Meetings of the board of a service agency are public meetings pursuant to state law (Chapter 610, RSMo). The granting of a contract to a service agency does not relieve a school district of its obligation to provide the services it has contracted for.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Kansas City, Missouri School District
St Louis Public Schools



Mickey Wilson, CPA
Director

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